



General Assembly

**Substitute Bill No. 6965**

January Session, 2015



**AN ACT CONCERNING THE PRESERVATION OF MUNICIPAL TAX BASES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1      Section 1. (NEW) (*Effective from passage*) Notwithstanding any  
2      provision of the general statutes, any property, real or personal,  
3      acquired on or after July 1, 2015, by any of the following entities, as  
4      defined or described in section 12-20a of the general statutes, as  
5      amended by this act, shall be taxable by a municipality in accordance  
6      with the provisions of chapters 201, 203 and 204 of the general statutes:  
7      (1) A private nonprofit institution of higher learning, (2) a nonprofit  
8      general hospital facility, (3) a freestanding chronic disease hospital, or  
9      (4) an urgent care facility that operates for at least twelve hours a day  
10     and that was the location of a nonprofit general hospital for a portion  
11     of calendar year 1996.

12     Sec. 2. Subsection (a) of section 12-20a of the general statutes is  
13     repealed and the following is substituted in lieu thereof (*Effective from*  
14     *passage*):

15     (a) On or before January first, annually, the Secretary of the Office of  
16     Policy and Management shall determine the amount due to each  
17     municipality in the state, in accordance with this section, as a state  
18     grant in lieu of taxes with respect to real property acquired prior to

19 July 1, 2015, and owned by any private nonprofit institution of higher  
20 learning or any nonprofit general hospital facility or freestanding  
21 chronic disease hospital or an urgent care facility that operates for at  
22 least twelve hours a day and that had been the location of a nonprofit  
23 general hospital for at least a portion of calendar year 1996 to receive  
24 payments in lieu of taxes for such property, exclusive of any such  
25 facility operated by the federal government, except a campus of the  
26 United States Department of Veterans Affairs Connecticut Healthcare  
27 Systems, or the state of Connecticut or any subdivision thereof. As  
28 used in this section "private nonprofit institution of higher learning"  
29 means any such institution, as defined in subsection (a) of section 10a-  
30 34, or any independent institution of higher education, as defined in  
31 subsection (a) of section 10a-173, that is engaged primarily in  
32 education beyond the high school level, and offers courses of  
33 instruction for which college or university-level credit may be given or  
34 may be received by transfer, the property of which is exempt from  
35 property tax under any of the subdivisions of section 12-81, as  
36 amended by this act; "nonprofit general hospital facility" means any  
37 such facility that is used primarily for the purpose of general medical  
38 care and treatment, exclusive of any hospital facility used primarily for  
39 the care and treatment of special types of disease or physical or mental  
40 conditions; and "freestanding chronic disease hospital" means a facility  
41 that provides for the care and treatment of chronic diseases, excluding  
42 any such facility having an ownership affiliation with and operated in  
43 the same location as a chronic and convalescent nursing home.

44 Sec. 3. Subdivision (7) of section 12-81 of the general statutes is  
45 repealed and the following is substituted in lieu thereof (*Effective*  
46 *October 1, 2015, and applicable to assessment years commencing on or after*  
47 *October 1, 2015*):

48 (7) (A) Subject to the provisions of section 1 of this act and sections  
49 12-87 and 12-88, the real property of, or held in trust for, a corporation  
50 organized exclusively for scientific, educational, literary, historical or  
51 charitable purposes or for two or more such purposes and used

52 exclusively for carrying out one or more of such purposes or for the  
53 purpose of preserving open space land, as defined in section 12-107b,  
54 for any of the uses specified in said section, that is owned by any such  
55 corporation, and the personal property of, or held in trust for, any such  
56 corporation, provided (i) any officer, member or employee thereof  
57 does not receive or at any future time shall not receive any pecuniary  
58 profit from the operations thereof, except reasonable compensation for  
59 services in effecting one or more of such purposes or as proper  
60 beneficiary of its strictly charitable purposes, and (ii) in 1965, and  
61 quadrennially thereafter, a statement shall be filed on or before the first  
62 day of November with the assessor or board of assessors of any town,  
63 consolidated town and city or consolidated town and borough, in  
64 which any of its property claimed to be exempt is situated. Such  
65 statement shall be filed on a form provided by such assessor or board  
66 of assessors. The real property shall be eligible for the exemption  
67 regardless of whether it is used by another corporation organized  
68 exclusively for scientific, educational, literary, historical or charitable  
69 purposes or for two or more such purposes;

70 (B) On and after July 1, 1967, housing subsidized, in whole or in  
71 part, by federal, state or local government and housing for persons or  
72 families of low and moderate income shall not constitute a charitable  
73 purpose under this section. As used in this subdivision, "housing" shall  
74 not include real property used for temporary housing belonging to, or  
75 held in trust for, any corporation organized exclusively for charitable  
76 purposes and exempt from taxation for federal income tax purposes,  
77 the primary use of which property is one or more of the following: (i)  
78 An orphanage; (ii) a drug or alcohol treatment or rehabilitation facility;  
79 (iii) housing for homeless individuals, mentally or physically  
80 handicapped individuals or persons with intellectual disability, or for  
81 victims of domestic violence; (iv) housing for ex-offenders or for  
82 individuals participating in a program sponsored by the state  
83 Department of Correction or Judicial Branch; and (v) short-term  
84 housing operated by a charitable organization where the average  
85 length of stay is less than six months. The operation of such housing,

86 including the receipt of any rental payments, by such charitable  
87 organization shall be deemed to be an exclusively charitable purpose;

88 Sec. 4. Subdivision (16) of section 12-81 of the general statutes is  
89 repealed and the following is substituted in lieu thereof (*Effective*  
90 *October 1, 2015, and applicable to assessment years commencing on or after*  
91 *October 1, 2015*):

92 (16) Subject to the provisions of section 1 of this act and section 12-  
93 88, all property of, or held in trust for, any Connecticut hospital society  
94 or corporation or sanatorium, provided (A) no officer, member or  
95 employee thereof receives or, at any future time, shall receive any  
96 pecuniary profit from the operations thereof, except reasonable  
97 compensation for services in the conduct of its affairs, and (B) in 1967,  
98 and quadrennially thereafter, a statement shall be filed by such  
99 hospital society, corporation or sanatorium on or before the first day of  
100 November with the assessor or board of assessors of any town,  
101 consolidated town and city or consolidated town and borough, in  
102 which any of its property claimed to be exempt is situated. Such  
103 statement shall be filed on a form provided by such assessor or board  
104 of assessors;

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| This act shall take effect as follows and shall amend the following sections: |   |             |
| Section 1   | <i>from passage</i>   | New section |
| Sec. 2  | <i>from passage</i>   | 12-20a(a)   |
| Sec. 3  | <i>October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015</i> | 12-81(7)    |
| Sec. 4  | <i>October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015</i> | 12-81(16)   |

**PD** Joint Favorable Subst.

